

AMENDMENT TO THE RULES COMMITTEE PRINT

116–57

OFFERED BY MR. BANKS OF INDIANA

At the end of subtitle E of title XVII, insert the following new section:

1 **SEC. 17____. SPECIFICATION OF PROHIBITED FOREIGN IN-**
2 **DUSTRIAL DEFENSE CORPORATIONS.**

3 (a) SPECIFICATION REQUIRED.—Not later than 90
4 days after the date of the enactment of this section, and
5 annually thereafter, the Secretary, in consultation with the
6 Secretary of State, the Secretary of Defense, and the intel-
7 ligence community, shall submit to the Committee on
8 Banking, Housing, and Urban Affairs of the Senate and
9 the Committee on Financial Services of the House of Rep-
10 resentatives a report that specifies each foreign industrial
11 defense corporation with substantial contracts with, ties
12 to, or support from, a PLA entity.

13 (b) EFFECT OF SPECIFICATION.—

14 (1) PURCHASE OF SECURITIES PROHIBITED.—
15 Beginning on the date that is 180 days after a re-
16 port is submitted under subsection (a), a United
17 States person may not purchase securities of a for-

1 eign industrial defense corporation specified in such
2 report.

3 (2) DIVESTMENT REQUIRED.—

4 (A) IN GENERAL.—Except as provided in
5 subparagraph (B), not later than 180 days
6 after a report is submitted under subsection
7 (a), a United States person that owns a secu-
8 rity of a foreign industrial defense corporation
9 specified in such report shall divest themselves
10 of such security.

11 (B) EXTENDED WIND-DOWN IN CASE OF
12 FINANCIAL HARDSHIP.—The Secretary may
13 allow a United States person a 270-day exten-
14 sion to the 180-day period for compliance under
15 subparagraph (A) if the Secretary determines
16 that such entity—

17 (i) owns a security of a foreign indus-
18 trial defense corporation specified in a re-
19 port submitted under subsection (a); and

20 (ii) would experience extreme financial
21 hardship to comply within the 180-day pe-
22 riod under subparagraph (A).

23 (c) ASSIGNMENT OF AUTHORITY.—

24 (1) ENFORCEMENT.—The Secretary shall en-
25 force the provisions of this section.

1 (2) REGULATIONS.—Not later than 90 days
2 after the date of the enactment of this section, the
3 Secretary shall issue such regulations and guidance
4 as necessary to implement and enforce this section.

5 (d) REPORT.—Not later than 360 days after the date
6 of the enactment of this section, the Secretary shall sub-
7 mit to the Committee on Banking, Housing, and Urban
8 Affairs of the Senate and the Committee on Financial
9 Services of the House of Representatives a report on the
10 progress of the divestments required under subsection
11 (b)(2).

12 (e) PETITION FOR REMOVAL FROM DESIGNATION.—

13 (1) IN GENERAL.—A foreign industrial defense
14 corporation may petition the Secretary to not be in-
15 cluded or removed from a report under subsection
16 (a).

17 (2) REQUIREMENTS.—A petition under para-
18 graph (1) shall include such documentation of the
19 assets and liabilities, company financial records,
20 ownership and investor records, and past and cur-
21 rent business contracts of the foreign industrial de-
22 fense corporation submitting such petition that the
23 Secretary determines necessary.

24 (f) FINAL REPORT.—Not later than 8 years after the
25 date of the enactment of this section, the Secretary shall

1 submit to the Committee on Banking, Housing, and
2 Urban Affairs of the Senate and the Committee on Finan-
3 cial Services of the House of Representatives a final report
4 on the implementation of this section, including—

5 (1) an analysis of the effectiveness of this sec-
6 tion;

7 (2) the development and maintenance of the re-
8 ports required under subsection (a); and

9 (3) a description of completed and ongoing civil
10 and criminal cases related to securities of foreign in-
11 dustrial defense corporations.

12 (g) SUNSET.—This section and the authority under
13 this section shall expire on the date that is 10 years after
14 the date of the enactment of this section.

15 (h) DEFINITIONS.—In this section:

16 (1) FOREIGN INDUSTRIAL DEFENSE CORPORA-
17 TION.—The term “foreign industrial defense cor-
18 poration” means any corporation based—

19 (A) outside of the United States; and

20 (B) in a country that the Secretary, in
21 consultation with the Secretary of Defense, the
22 Secretary of State, and the intelligence commu-
23 nity, determines does not possess positive eco-
24 nomic and military relations with the United
25 States.

1 (2) INTELLIGENCE COMMUNITY.—The term
2 “intelligence community” has the meaning given in
3 section 3(4) of the National Security Act of 1947 (
4 50 U.S.C. 3003(4)).

5 (3) PLA ENTITY.—The term “PLA entity”
6 means any entity of the Chinese military, including
7 the People’s Liberation Army, Navy, Air Force,
8 Rocket Force, Strategic Support Force, and Joint
9 Logistics Force, and the Chinese intelligence com-
10 munity.

11 (4) SECRETARY.—The term “Secretary” means
12 the Secretary of the Treasury.

13 (5) SUBSTANTIAL.—The term “substantial”,
14 with respect to contracts with, ties to, or support
15 from, a PLA entity, shall have the meaning deter-
16 mined by the Secretary, in consultation with the
17 Secretary of State, the Secretary of Defense, and
18 the intelligence community.

